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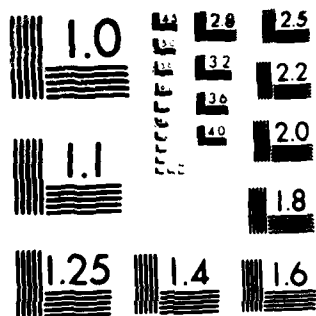
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USAWC MILITARY STUDIES PROGRAM PAPER

LIFE AFTER INF: WEST GERMANY IN THE YEAR 2000

An Individual Study Project
Intended for Publication

by

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U.S. Army War College
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14 March 1988

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ABSTRACT

AUTHOR: Vincent A. Lauter, Jr., DAC, GM-14

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INTRODUCTION

Dateline: Bonn, West Germany, January 1, 2000. This is not only the start of a new century, but it has been over a half century since there was war in Europe. This is Europe's longest period of peace since the Middle Ages. Western Europe's defense network is alive and well. The Supreme Allied Commander in Europe is now a German, and bilateral French and German forces man key sectors along NATO's central front.

Change came quickly after the Soviet-American removal of intermediate-range nuclear forces from Europe in the late 1980's. The two superpowers then agreed to halve their strategic nuclear weapons and conducted asymmetrical conventional troop reductions in Central Europe. The Americans sent two Division Equivalent Force units back to the United States, while the Soviets moved eight DEF from East Germany and Czechoslovakia to locations east of the Urals.

NATO shuddered as it absorbed these blows. Many soothsayers said it was the Alliance for whom the bell tolls. Yet here we are in 2000, successfully defending Western Europe with an Alliance that did not splinter, nor did Germany go neutral. What caused this outcome, and what challenges faced America along the way?

The answers can be found by turning the clock back to the late 1980's and observing the evolution of the four cornerstones of the German state: its society, economy, politics and military. We will watch Germany grow more independent, becoming a quality of life-oriented economic power looking to France for military help and to Eastern Europe for trade.

American foreign policy was most effective when it recognized Germany's desire for moderate economic growth, greater economic and political links to Eastern Europe, and a more European-oriented defense strategy.

THE SOCIETY

"West Germans are fanatics about [economic] security after the periods of economic misery in our history."¹ Germany's security oriented nature is neatly captured in this statement by the President of Germany's Federal Cartel Office. In fact, the modern world's welfare state can trace its roots to German legislation inspired by Count Otto von Bismarck over a hundred years ago. These 1884-1887 laws provided in an elemental way for accident, sickness, old age and disability insurance.² The economic security mindset is better explained by looking at three different age groups: the populous generation which will be over the age of sixty in 2000, the ruling class between the ages of forty and sixty, and the quality of life-oriented generation under age forty.

THE AGING

"For the aging person it is a duty and a necessity to give serious attention to himself."

Carl Jung³

Jung's comment on the self concerns of old age is magnified in Germany for two reasons. First is the shrinking size of the ethnic German population. The world's population should increase by 27 percent to

6.2 billion people between 1985 and 2000.⁴ The ethnic German population is moving in the opposite direction. It is projected to fall from 61 million to 59 million in the same period.⁵ At the same time, this smaller population will be growing even older. In 1986, 20 percent of ethnic Germans were over age sixty.⁶ This age group will grow to about one-fourth the population by 2000.

Second, this aging group personally experienced World War II, post war devastation, and overt Soviet aggression, such as the Berlin Blockade of the late 1940's. These people worked with American assistance to rebuild their nation in the 1950's and 1960's. They will seek a healthy, safe and secure world in their retirement. The aging will be very hesitant to support reduced defense spending. In fact, they can be expected to approve slightly larger defense budgets to modernize their deterrent force, as long as health and social spending are not adversely affected.

THE RULING CLASS

"The ruling ideas of each age have been
the ideas of its ruling class."

Karl Marx⁷

Those born between 1940 and 1960 will be the principal leaders of Germany in 2000. Most matured during or after the "Wirtschaftswunder," or economic reconstruction of the 1950's and 1960's. They will have known only affluence and will retain some appreciation for American efforts helping to rebuild their economy and defend them from Soviet aggression. The

governing class should retain their pro-American, pro-NATO attitudes, as their childhood was shaped by anticommunism and rapid economic growth.⁸

National defense, American and French military presence should provide the ruling class with the means to sustain its economic achievements. These rulers should thus support defense spending at rates experienced in the late 1980's. A strong defense also helps satisfy the even greater concern for security held by the large and powerful 60+ constituency that helps elect the leaders.

THE POSTMATERIALISTS

The under forty generation should place more importance on quality of life than economic growth or security.⁹ They will know a world that has provided them with quantitative economic advances, but they will search for something more--qualitative societal change. The postmaterialists will also be the first German generation truly to benefit from the passage of time since World War II. Thomas Mann noted that "...time cools, time clarifies; no mood can be maintained quite unaltered through the course of hours."¹⁰ Thanks to the passing years, this generation will not have grown up in homes with parents who lived through and shared the humiliation of the pre-1946 era. They will be relieved of a significant portion of the psychological baggage that their grandparents carried and passed to their parents. Compared to their elders, the postmaterialists will have an increasingly positive sense of national identity, pride and appreciation for the political and economic power their nation has earned. Germany's unusually low post-war

birthrate, for example, is often viewed as symptomatic of a nation not fully at ease with itself, one that lacks confidence in the future.¹¹

The younger postmaterialists are likely to be a quite patriotic group. Polls taken in the mid-1980's support this view. These polls showed that those just emerging from their teenage years had more pro-military and pro-NATO sentiments than those in their late twenties.¹²

THE ECONOMY

"Wirtschaftswunder" was a fundamental matter of economic survival and occupied the center stage of German interests until the late 1960's. Economic growth since then has been deliberately slower, yet Germany is a world class economic power. Germany's Gross National Product was ranked fourth among all world economies in the late 1980's, and the nation replaced America in 1987 as the world's leading exporter.¹³ This economic strength reflects the pervasive role of German commercial banks, a diversified foreign trade policy and the growing emphasis on trade within Central Europe.

THE BANKS

German banks do much more than just loan money to industry. They also manage industry. The 1987 statistics of the top 100 German firms should generally be repeated by 2000: officials from four commercial banks alone hold 83 officer positions and 69 board of director memberships within these 100 firms. In many instances the same banker sits on the boards of competing

firms. This system of quasi-interlocking directorates would raise cries of protest and bring antitrust legislation in America, but it has the opposite affect in Germany:

"...for, deep down, Germans appear to take comfort in a powerful banking establishment. To many, the system represents security, a deeply rooted value in the German psyche. And some analysts believe the concentrated might of West Germany's banks has helped make their country the economic powerhouse of Europe."¹⁴

Bankers on corporate boards also make fiscally conservative business decisions. American-style leveraged buyouts of other firms are quite rare. German companies historically merge with other firms or expand their operations by relying primarily on internal cash reserves. The German economy should enter the twenty first century not only strong but very self sufficient.

The Bundesbank, Germany's equivalent of the American Federal Reserve Board, is similarly conservative. It consistently has kept the money supply relatively tight. Control by the banks and tight money have limited Germany's comparative industrial growth since the late 1960's. German industrial production grew only 22 percent between 1970 and 1985. Japan, a more growth-oriented nation, experienced an 82 percent increase over the same period.¹⁵ Slower growth and tighter money also gave Germany a lower rate of inflation. Germany's Consumer Price Index rose 99 percent between 1970-1985, while Japan's CPI grew by 171 percent.¹⁶ Germany's prediliction for moderate economic growth and low inflation satisfies society's concern for security, stability and a quality of life not threatened by an economy enjoying higher peaks and their inevitable accompanying deeper valleys.

DIVERSIFICATION

Germany's diversified trading base also contributes to the nation's concern for security. A comparison with Japan depicts divergent trade policies. Japan exported 38 percent and imported 20 percent of its goods from America in 1985.¹⁷ This makes the Japanese economy quite susceptible to the changing moods and foreign trade policies of America. Germany in 1985 neither imported nor exported more than twelve percent of its goods from any one nation.¹⁸ Trade diversification helps cushion Germany from the political or economic policies of its trading partners.

Germany in 2000 should continue being a major exporter of high quality, specialized machinery, chemicals, motor vehicles, optics, iron and steel products.¹⁹ These specialty exports are not particularly price sensitive because they are frequently top quality items for which customers will pay extra.²⁰ German technology should also enable that nation to be a major producer and exporter of electronics, aerospace technology, biotechnology and pharmaceuticals in 2000. Germany will probably remain behind both the United States and Japan as a technological innovator; however, it should be a competitive third in this area of the world marketplace, and be the European leader in science and technology. Thus, Germany should continue to be a leading net foreign trade exporter. Their net trade surplus of \$26 billion in 1985²¹ should increase slightly by 2000. These economic projections point toward a strong, stable deutsche mark in the world financial markets.

CENTRAL EUROPEAN TRADE

Historians note that the several decades after World War II represented the most "Western" German policy since the Holy Roman Empire, especially due to the forced loss of East Germany. In the longer view of history, West Germany's post-war period--and its degree of dependence on America--are likely to seem unusual.²²

"Mitteleuropa" is the German translation for Central Europe, and conveys a state of mind as much as a condition of geography. Germany is located on the major crossroads of European trade and has a historic tendency to be a dominant player in the economic, political and cultural life of Central Europe. This Mitteleuropa concept should flourish in the 1990's. In 1985, 3.3 percent of Germany's exports and 4.3 percent of its imports were from the Soviet Union and Eastern Europe.²³ These totals should double by 2000. In the case of Soviet trade, West Germany will likely expand its exports of steel products, biochemicals and quality machinery in return for raw materials, principally natural gas, oil and iron ore.

It is noteworthy that the Soviets get more than two-thirds of their hard currency earnings from oil and gas exports. They presently supply West Germany and Western Europe with about 30 percent of its gas needs. They would like to expand their gas pipeline system to raise this total to about 75 percent.²⁴ The Soviets use these hard currency earnings to buy goods and commodities from the West. Most American exports to the Soviet Union are commodities, particularly foodstuffs. By contrast, the Western Europeans are heavily involved in selling capital and other industrial goods to the Soviets.²⁵ West Germany plays a

key role in this trade. Between 1973-1979, 50 percent of Germany's exports of large diameter steel pipe went to the Soviets. This constituted twelve percent of total German-Soviet trade and was the largest single export item in that trade.²⁶ The West Germans and the Soviets have created a high degree of interdependence as a result of this commodities-for-capital goods trade.

Expanding Mitteleuropa trade in the 1990's should also mean closer cultural and political ties with West Germany's Warsaw Pact neighbors, most notably East Germany. The East and West Germans should successfully implement formal agreements on such issues as environmental pollution, sister cities programs, nuclear safety and scientific research exchange.

THE POLITICS

Post-war German politics has a tradition of long term ruling coalitions. The Christian Democratic Union (CDU) ruled from 1949 to 1969 and the Social Democratic Party (SPD) governed from 1969 to 1983. The CDU came to power in 1983 and should rule until the early 1990's. In all likelihood, the SPD would then regain government leadership and lead Germany into the new century. The Free Democratic Party should continue to be a partner in every ruling coalition, as it has since 1969.

Much like the SPD coalition in 1983,²⁷ the current CDU coalition will probably have played out by the early 1990's. CDU issues and leadership will most likely have grown stale, particularly to the young postmaterialists. Curiously, the CDU, traditionally viewed as an astute manager of economics and government finance,²⁸ should also be defeated by its own federal funding

difficulties. Income and corporate tax cuts approved in 1987 will be implemented in 1990. These tax cuts will probably greatly reduce government revenues. To offset these revenue losses and prevent a larger federal deficit, the CDU may propose reductions in pension and health care spending. That would meet with strong disapproval at the polls by an aging electorate.

The Bavarian Christian Social Union (CSU) has been formally aligned with the CDU since the 1950's and is expected to suffer reduced influence by 2000, by which time its long time leader, Franz Josef Strauss, should have retired. There will probably be no immediate post-Strauss leader with Strauss' national political power. While still aligned with the CDU, the CSU should more closely resemble a Bavarian quasi-populist party. It should continue to be a strongly united party appealing to orthodox conservatives favoring such issues as reduced health costs, law and order, tighter abortion controls and strict interpretation of the Basic Law, Germany's constitution.

The Free Democratic Party should continue its tradition of being the maker and breaker of ruling coalitions. The party should sense by the early 1990's that the overall mood of the electorate is swinging back to the SPD. The FDP will then put its parliamentary support behind the SPD to ensure they have a role in the next ruling coalition. The FDP, though, will have lost significant national stature. The FDP in the late 1980's coerced the CDU into making the deep 1990 income and corporate tax cuts described above.²⁹ The electorate should hold the FDP largely responsible for many of the financial difficulties and proposed pension and health care reductions. The FDP's share of the popular vote should drop from the nine percent it received in the 1987 elections.³⁰ The drop would be partially offset by the party's

highly visible leadership in Mitteleuropa. The FDP should continue to champion East-West dialogue and trade.

THE GREENING OF GERMANY

The last two decades of twentieth century Germany probably will be viewed in the next century as a period of qualitative cultural evolution. Germany will have maintained the highest European standard of living and should magnify its focus on quality of life issues. Détente and disarmament have been primary German concerns since World War II and should continue to play a key role in politics. Germany most likely will expand these horizons to include such qualitative issues as Mitteleuropa ties in Central Europe, ecological upgrades and improved housing. One new political party, the Greens, would be a symbol of this emphasis on quality. Such basic Greens concerns as ecology, nuclear power, women's rights and data protection were generally outside the traditional political spectrum when the Greens first gained national attention in the late 1970's. By the 1990's, however, many of these topics should become major platform issues for the more established German parties. By the late 1980's, for example, the Greens influenced other major parties by forcing them to take stock of previously neglected ecological issues.³¹

The Greens received over eight percent of the popular vote in the 1987 elections,³² and in light of growing concerns for quality of life--the greening of Germany--this party ostensibly should look forward to receiving an even larger percent of the vote in future elections. A mounting internal ideological split between the party's realists ('Realos') and fundamentalists ('Fundis'), however, will probably prevent this from occurring.

The Realos believe the Greens must enter into political compromises to achieve their objectives, while the Fundis feel that such compromises might alienate the party from its principles and weaken its credibility.³³ By the late 1980's the Realos outnumbered the Fundis, and in the early 1990's the Fundis can reasonably be expected to leave the party and form their own splinter parties. This would leave the Greens with less than eight percent but more than the five percent of the popular vote needed to gain representation in the Bundestag, Germany's national parliament.

Thus, while the established SPD, CDU/CSU and FDP may continue to co-opt some of the Greens' ideology, the Greens should be able to garner the votes of a significant percentage of the youthful, nationalistic and quality of life-oriented postmaterialists. The Greens would truly reflect an alternative political voice, remaining a small but persistent statement of political independence.

THE RISE OF THE SPD

The SPD's ideological roots were planted in 1867, when the evolutionary (LaSalle) wing linked with the revolutionary (Marxist) wing. This evolved into Bismarck's welfare (quality of life) legislation of the 1880's. The SPD's welfare orientation will most likely be exemplified by three issues that would return the party to power in the 1990's.

First, many CDU/CSU voters should cross over to SPD to protest the former's proposed cuts in pensions and health care. The SPD will be viewed as a stalwart proponent for these and other welfare systems that have become an ingrained part of German society.

Second, the SPD is expected to campaign for a 35 hour work week. As the first nation to adopt this standard, the shorter work week would become

the standard for other Western European nations, most notably the United Kingdom.

The third SPD issue that would appeal to German voters is a more nationalistic, European-leaning defense posture. The SPD should argue for a West Germany that is a more independent American ally. This, in spite of the fact that Germany is the only major NATO state on the central front facing Soviet armies without nuclear weapons of its own.³⁴ The SPD will capitalize on the fact that long gone are the days when Germany quickly responded favorably to American proposals. German political leadership will not necessarily be anti-American in this approach; rather, it can be expected to support those specific American initiatives which it sees will benefit German society. This turn of events will have an unsettling effect on the United States. In fact, American political leaders may call for reduced support to NATO when they misinterpret independent-minded German decisions as blatant anti-Americanism.

THE MILITARY

The Bundeswehr, West Germany's armed forces, can expect to enter the next century as a key NATO member having closer military ties to France. Germany is likely to revise its wartime host nation support agreements to reflect a greater reliance on French reinforcements. The Bundeswehr should also have undergone significant weapons modernization, while also having revised missions and force structure to exploit terrain features. Defense spending should remain relatively constant.

The force structure would reflect the fruition of the Bundeswehr's plan for 1995:³⁵ a peacetime active duty force of 456,000, slightly less than

in 1985. Two thirds of this force would be in the Army, the remaining one third in the Air Force and Navy. Augmenting this active duty force would be 15,000 men undergoing reserve duty training. This would more than double the 6,100 reservists in 1985. There would be an additional 24,000 reservists in the standby readiness component, bringing the total peacetime strength to the 1985 standard of 495,000.

Almost half the active duty force, or 206,000, would be conscripts. This roughly equates to the number of conscripts serving in 1985. Due to Germany's changing demographics, the guidelines to maintain this conscript level will have been adjusted. In 1989 the basic military service period for conscripts will have risen from 15 to 18 months, reflecting declining birth rates and the resultant smaller pool of potential conscripts.³⁶ This pool will not increase in size before the early twenty first century; therefore, the 18 month conscription period should be in effect in 2000.

The armed forces would be almost entirely male. In 1985, the only females in the Bundeswehr served in the medical and health services as medical officers. About 100 of the 3000 spaces involved were filled by women.³⁷ The low number of Bundeswehr females is the direct result of complying with German law. Article 12 of Germany's Basic Law specifically prohibits women from rendering service involving the use of arms.³⁸ It is unlikely that there will be general public support by 2000 to amend Article 12.

FRANCO-GERMAN ALLIANCE

Increased nationalism and American and Soviet military adjustments to the European balance of power should pull the Germans into closer military and

political ties with France. This link with France will reflect Germany's perception that America's removal of its land-based INF puts the architecture of extended NATO deterrence in jeopardy. In fact, because of the sizeable conventional force advantage that the Warsaw Pact has over NATO, the shrinking arsenal of nuclear weapons will actually increase the risk of limited war.³⁹ In the face of this greater risk, America's Strategic Defense Initiative will cause even greater doubts among many Germans and West Europeans over America's willingness to fight for Europe. These doubts would mushroom, should America withdraw up to two DEF from Germany.

Germany and France would be inexorably drawn together as this scenario unfolds. Separate from NATO's military structure and with its own nuclear arsenal, France is expected to view the conventional force imbalance and America's reduced military presence as a mandate to share in the defense leadership of Western Europe. A formal Franco-German bilateral partnership would follow. The French would then forward deploy two more divisions of the Rapid Action Force in Germany to serve jointly with two divisions of the German Territorial Army. A French commander would direct these units, in general alliance with NATO defense strategies for the central front. The French may also deploy a portion of their nuclear weapons onto German soil and publicly state that they would use these weapons if Germany were attacked.

The prospect of forward deploying French troops and nuclear weapons would benefit France and Germany. France would face a greater defense burden, yet active military cooperation with Germany would counter one of France's major fears: that Germany would become a neutral nation, unwilling to resist Soviet hegemony in Western Europe.⁴⁰ France will also become a

leading voice in world military affairs as the commander and sole nuclear power in this Franco-German alliance. This would restore a military voice substantially muted since DeGaulle withdrew from NATO's integrated military structure in the 1960's.

Germany would benefit from the presence of more forward deployed French troops. These forces would partially offset the loss of American troop units. The French nuclear force--and France's expected resistance to any Soviet overtures to reduce or eliminate these nuclear weapons--would provide a deterrent to Soviet use of its conventional force advantage. This would support Robert McNamara's proposition that nuclear weapons are not weapons, per se. They have no real military use whatsoever, except to deter one's opponent from their use.⁴¹

French command of these bilateral forces would be more than offset in German society by the fact that a German should be appointed NATO's Supreme Allied Commander, Europe (SACEUR) by the late 1990's. This would help ensure that Franco-German bilateral defense strategy and tactics are successfully woven into NATO's defense plans for the central front.

HOST NATION SUPPORT

Germany is expected to modify its existing NATO Wartime Host Nation Support (WHNS) agreement with the United States because of its new bilateral French commitments. The 1982 WHNS agreement calls for 93,000 German reservists to provide support and services to the six additional American armored and mechanized divisions and supporting combat aircraft squadrons that would deploy to Germany within ten days of the start of a crisis or war.⁴² WHNS troops

would provide for casualty evacuation, transportation, medical treatment, airfield damage repair and security maintenance.⁴³ The new bilateral alliance would make it logical to assume the Germans would divert as much as one third of these WHNS assets to support French reinforcements. While reduced WHNS would be a detriment to America's initial deployment of American-based reinforcements, it could result in a net benefit to Germany's concept of forward defense. France's total peacetime active duty strength approximates that of the Bundeswehr,⁴⁴ and French-based reinforcement troops targeted for wartime deployment to Germany would face only a fraction of the logistical, time-distance problems that American reinforcements would encounter in reaching the forward line of troops. German WHNS troops would greatly expedite a French deployment.

MISSIONS AND FORCE STRUCTURE

Bundeswehrplan 1989 contains enhancements to land combat, reconnaissance, command and control, and terrain exploitation through the year 2001.⁴⁵ Assuming this plan is adopted with only minor revisions, the Bundeswehr will undergo significant changes. The Army, for example, plans to reposition its troop units to exploit terrain features with few force structure modifications.⁴⁶ Front line mechanized units would be concentrated in terrain more suitable for tank operations, while additional mechanized and newly organized air mobile units would be stationed in rear areas. From there they could be deployed quickly to critical points during enemy penetration attempts. Additionally, the Air Force will perform primary reconnaissance for all three services. This will give the Bundeswehr a

single reconnaissance director and avoid the potential overlap and expense of three separate service systems.⁴⁷ The Bundeswehr will also avoid service duplication in the area of command and control. A unified communications system with permanent installations should be constructed by the mid-1990's.⁴⁸

The combination of aging weapon systems, revised missions and the bilateral alliance with France should cause Germany to increase the percentage of defense spending on research, development and acquisition of new weapon systems. The Army will make greater use of "smart" munitions, and the Germans and French should jointly develop and field the PAH-2, second generation anti-tank combat helicopter.⁴⁹ Over 200 of these should be fielded by the Bundeswehr by the late 1990's.⁵⁰ Competing defense priorities are expected to defer development of a new main battle tank.⁵¹ Instead, the Leopard 2 should undergo a variety of modifications to improve its combat efficiency. The Air Force should replace most of its F-4F Phantom fighter squadrons with the British-German-Italian-Spanish consortium-built Euro Fighter Aircraft.⁵² Meanwhile, the Navy should augment its two squadrons of frigates by developing and procuring up to four new ships based on the Bremen-class frigate. The first of these frigates is likely to be commissioned in the mid-1990's.⁵³

DEFENSE SPENDING

Defense should continue to account for about 19 percent of the German federal budget⁵⁴ through the year 2000. Steady economic growth will benefit defense, as growth will cause the total budget to increase, thereby expanding defense and other federal funding in absolute terms. Major weapon systems upgrades should cause procurement to grow from 30 to about 33 percent of the

defense budget. The Bundeswehr's operations, maintenance and personnel costs should proportionately fall from 65 to 62 percent, while research and development would consistently account for the remaining five percent.⁵⁵

Countervailing national interests should help keep defense spending relatively level. The greening and aging of Germany would increase pressures for greater social spending. Conversely, the basic German desire for security and quality of life should support defense upgrades. Recent public opinion polls present societal challenges to German defense officials. The German Defense Ministry reported that only 24 percent of the German public viewed the Soviets as a military threat in 1987. This was the lowest threat rating since the ministry began to track such attitudes a quarter of a century ago.⁵⁶ Defense spending hinges largely on the element of threat. The German public should experience an elevated level of threat when America removes two DEF from Germany and withdraws its INF. American-induced threat increases would be partially offset by maintaining consistent defense spending. The modernized weapon systems these funds would procure serve as a tangible deterrent force to meet this increased threat.

CHALLENGES FOR AMERICA

Germany in 2000 will be more gray in age, green in politics and Red in foreign trade. This presents the United States with major foreign policy challenges, especially in the face of a Soviet Union that will not be standing by idly. The Soviets should continue to pursue their traditional post-war strategy toward Western Europe:⁵⁷ undermine the power of NATO, perpetuate a favorable military balance, improve relations and economic ties to the major

European states, and maintain a friendly and non-nuclear West Germany. The Soviet strategy is to induce docility rather than press for domination, while the United States seeks to maintain the strength and vitality of the NATO alliance.

Clausewitz would have understood the Soviet strategy of docility. He stated that while the aim of war is to defeat the enemy, it is not always necessary to conquer the whole of the enemy's territory.⁵⁸ Clausewitz further told his readers to keep the dominant characteristics of both parties in mind. These characteristics form the center of gravity, the hub of power and movement.⁵⁹ Germany's economy and the deterrent presence of foreign military forces are its two centers of gravity.

THE ECONOMY AND MITTELEUROPA

Over a century ago Karl Marx outlined four major vulnerable points in the capitalist system. These are the distribution of power, the highly unequal distribution of income, monopoly (and its inherent abuse of power), and capitalism's susceptibility to crises and unemployment.⁶⁰ Germany and the United States have successfully reconciled the first three concerns. Power and income distribution have not proven overly inequitable, while monopoly power evolved into oligopoly and various forms of government-induced divestiture of power. One glaring capitalist vulnerability remains. In the long run, capitalism's susceptibility and disposition to depression and unemployment are the greatest threats to its survival.⁶¹

The Soviets realistically have little hope of seeing Germany's powerful center of gravity deteriorate. The German economy has and should continue to grow slowly and steadily--with public and government support--under the

conservative tutelage of the banking community. Moreover, the Soviets are more likely to seek the benefits of this center of gravity than attack it. The current Soviet leadership should continue its policy of perestroika, the democratic restructuring of its overwhelmingly centralized and isolated economy. German economic growth should include expanded Mitteleuropa trade with the Warsaw Pact. West Germany thus offers the Soviets a beneficial window for upgrading its economy.

Germany's economic center of gravity presents the United States with demanding foreign policy challenges. Germany has a historical desire for moderate economic growth. This overriding concern will mean the United States should have limited success in pursuing trade deficit cures that call for Germany to stimulate its own economic growth, in the hopes that this would increase American exports to Germany. The security tied to controlled economic growth should take priority in Germany over helping America solve its foreign trade deficit.

Mitteleuropa will occupy a larger stage on the economic center of gravity. American policy makers should remember that Germany has scrupulously maintained diverse trading partners worldwide, and that doubling Warsaw Pact trade by 2000 represents the resurrection of Germany's traditional role of balancing ties to the East with ties to the West. This was known in Bismarck's era as "Schaukelpolitik," or see-saw policy.⁶² Moscow should allow West German economic, cultural and political growth in Central Europe because Mitteleuropa trade will benefit perestroika. The Soviets would not relinquish any strategic military control over the Warsaw Pact, nor is it likely that they would allow the reunification of Germany.⁶³

A DUAL TRACK DEFENSE THROUGH FOREIGN MILITARY ALLIANCES

Post-war European military conflict has been stifled in large part due to the deterrent value of foreign troops stationed in Germany. America represents the bulk of this deterrence. Even if two DEF were withdrawn, over 150,000 American troops would still be stationed in West Germany. America would further support Germany through its NATO pledge to deploy six additional divisions from the United States within ten days of the start of a crisis or war.

The forward deployment of bilateral French forces would constitute expert German contingency planning in the face of a reduced American presence. This bilateralism means Germany would rely more on a dual track NATO defense. It would shift some military weight off the American crutch and onto the French crutch as it strides into the twenty first century. The French leg in this dual track defense would in no way replace the overriding deterrent effect that America's superpower military presence would have in Germany. This would create a weakness that the Soviets could be expected to probe. Yet French command of these bilateral forces should make France the leading military power in Western Europe. This would bring the maverick role of France to the forefront. The Soviets would face the prospect of dealing with France's independent nuclear force if it took military action against Germany. In effect, it is to NATO's military benefit that France has chosen to remain outside the integrated NATO military structure. France should become an increasingly important yet unpredictable factor in Soviet planning for potential war in Europe.

America gets no free lunch from a stronger French military. The French, like the Germans, are spending considerable sums on weapons modernization, while also improving their military capabilities outside of Europe.⁶⁴ For example, France plans to add two nuclear powered aircraft carriers to its fleet. NATO's strength and vitality would be improved if America would underwrite the carrier program by selling other military hardware to the French at or below cost. The French could then spend more of its defense budget on these carriers, meet its new bilateral commitments and be a more potent American ally, worldwide.⁶⁵

A dual track defense would coincide with a more independent Germany. That state will be less predisposed automatically to support America on issues great and small. German decisions would be made from the perspective of a self reliant European ally wielding a wider range of economic, political and military power. American policy will need to be flexible enough to factor in such offshoots as reduced German WHNS and greater German procurement of European-built weapon systems. America should also be prepared to accept its changing role in NATO by supporting a German to be SACEUR.

Phasing down America's nuclear arsenal and conventional troop strength can only speed up what has been called the Europeanization of Europe: that Europe is becoming less dependent on America and more European in its policies and outlook.⁶⁶ Henry Kissinger adds, however, that America has more to lose from a sense of European impotence than from a stronger European identity.⁶⁷ This scenario has posed significant American foreign policy challenges, but in reality the solutions are a small price to pay for maintaining peace in Europe through the twenty first century.

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